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Alison Fleig Frank. *Oil Empire: Visions of Prosperity in Austrian Galicia.* Cambridge, Mass.: Harvard University Press, 2005. XX + 343 S. \$49.95 (cloth), ISBN 978-0-674-01887-7; \$24.95 (paper), ISBN 978-0-674-02541-7.

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A Rich Deposit of Regional Industrial History

Oil fills this book, seeping and exploding out of the dark Galician soil, flowing into rivers, covering workers with an impenetrable black film. But Alison Fleig Frank's book is not primarily about oil. Rather, it is a story of the rise and fall of the oil industry in the Austrian (later Polish and now Ukrainian) region of east Galicia. It is, as Frank skillfully argues, a regional history with national(ist), imperial and global influences and significance.

The book begins by acquainting the reader with the complexities of Austrian Galicia, a province as little renowned for much of the nineteenth century as it is in today's history books. But for a time, oil put Galicia on the map, as the region became the third largest oil producer in the world from around 1890 to 1910. Annexed by the Habsburgs in the first partition of Poland in 1772, Galicia was one of Austria's poorest, but most populated provinces. As of the mid-nineteenth century, when the oil industry in Galicia began, the province was dominated by a Polish-speaking noble elite, but inhabited by Poles, Ruthenians (Ukrainian-speakers) and Jews. Granted substantial autonomy in the 1860s, Galicia's budding oil industry remained largely unregulated by Vienna.

This lack of regulation was of crucial import for both the rise and fall of the industry, Frank argues. In contrast to much of the rest of the world's known oil supplies at the time and since, Galicia's oil was considered private, not crown property. The only other significant area where oil rights were tied to property rights was

the United States. Frank points out some similarities in the two industries, namely the prevalence of "wildcat" oil speculators and boomtowns near oil fields. But the similarities stop there. For a variety of reasons, Galicia's oil industry remained decentralized and largely unprofitable. The prevalence of small landholdings, often without clear title, led to a proliferation of tiny oil operations, frequently competing for the same oil. Until the 1884 passage of the Imperial Petroleum Law, large companies had difficulty acquiring enough leases to control oil fields and benefit from economies of scale.

Though many oil men and provincial and imperial modernizers argued for increased centralization and rationalization of the oil industry in the 1870s and 1880s, these reformers made little headway. They could not overcome Galician autonomist arguments, advanced by an informal coalition of Polish noble landowners (who didn't want any external interference on their land), Jewish wildcatters (who didn't want to lose their niche in the industry) and Ruthenian peasants (who made modest profits by leasing their oil rights to wildcatters). As Frank points out, this was yet another case where late-Habsburg policy was driven by local and regional agendas, often at the expense of wider state interests.

A combination of factors, including the stabilization of oil leases with the 1884 Petroleum Law and the introduction of new drilling technology, led to an oil boom in Galicia from around 1890 to 1910. Before the arrival of the Canadian oil driller William MacGarvey in the 1880s,

much of Galicia's oil was dug out of the ground with shovels (or rather it was "released" with shovels and harvested with buckets). MacGarvey imported drills that could go far deeper, and he also brought an appreciation of the entire business of oil to the region. Thus began an era of some consolidation of the industry, with a handful of firms integrating vertically in the 1890s (by building holding tanks and refineries) in order to leverage the high financial risks of oil exploration and production. But these larger companies continued to compete with smaller producers, who took advantage of cheap labor and a glut of speculative foreign capital to try their luck in the industry. As Frank points out, this was a recipe for overproduction, as the legal structure of the industry and intense competition prevented the formation of cartels to control production and prices.

Just as production approached its peak, two large strikes in 1904 and 1910 temporarily slowed things down, a development that big producers privately welcomed. Though Frank gives these strikes prominent treatment in a chapter on overproduction, her earlier chapter on oil workers highlights the relative lack of labor unrest in the Galician oil industry in the nineteenth century. In spite of dangerous and poorly paid labor, and in spite of oil gushers that polluted drinking water and surrounding fields, little organized protest came from oil workers before the early 1900s—above all, because the vast majority of oil laborers were Ruthenian "worker-peasants" (p. 114) who worked seasonally or part time in order to supplement the meager output of their farms. Nor were they likely to make common cause with Polish-speaking skilled workers or the widely despised unskilled Jewish laborers. In spite of the efforts of Ivan Franko, the Ruthenian activist and writer, socialism made little headway among the oil workers of Galicia. Though the strikes seemed to indicate a growth in worker consciousness, Frank's narrative focuses on the relative weakness of strikers at a time of overproduction. If there is any gap in Frank's otherwise very thorough treatment of the Galician oil industry, it is this shift away from a fine-grained analysis of local national and social dynamics in the oil-fields.

Ironically, the Galician oil industry began to decline just as oil began to challenge coal as an energy source for rapidly growing and mobilizing industrial economies. The First World War was a turning point for oil, which became a critical resource for navies, motorized warfare and war production. Unlike Britain, Austria-Hungary was slow to realize oil's importance to its military, and the Austrians faced insufficient transportation, storage

and refining infrastructure for their oil. Above all, Galicia's oil was remote from both Austria's manufacturing centers (in Bohemia and Lower Austria) and navy (in the Adriatic). Although the Austrian government tried to encourage oil production and the expansion of infrastructure after 1910, the transportation problem continued to bedevil the industry, which could not compete with more easily accessible oil from Romania and other parts of the world. To add to the industry's woes, Russia captured the Galician oil fields in September 1914 and held them for nine crucial months. But as Frank points out, at this point the Russians did not fully grasp the importance of oil, either. They took very little oil from Galicia during their occupation, and they left most of the wells and tanks intact during their retreat in 1915. When Britain was forced to relinquish the Romanian oil fields in 1917, the Brits did not make the same mistake. Oil shortages were an important part of the military-industrial collapse of the Central Powers in 1917-18.

In spite of declining oil production, Galician oil became an important element in the battle between Polish and Ukrainian elites for control of eastern Galicia after the collapse of Russia and Austria-Hungary in 1917/18. Both Poland and the short-lived Ukrainian state claimed the oil region based on arguments of right and necessity. Poles claimed that the oil industry was essentially Polish and was of crucial importance to the economic and military stability of the new state. Ukrainians pointed to the Ukrainian-speaking majority of the region and made the case that east Galicia was vital to the survival of a Ukraine facing recapture by Bolshevik Russia. In a largely forgotten war, the Poles drove Ukrainian forces out of Galicia in 1919, creating a *fait accompli* seized upon by the French to advocate for expansive borders for their Polish ally. The French capitalized on their diplomatic and military support for Poland and won favorable terms for trade and investment. By 1933, French firms controlled close to 75 percent of the Galician oil industry, which was unfortunately already in substantial decline (p. 235). By the late 1990s, when Frank researched her book, there were few traces, for better or worse, of the oil industry in the Boryslav region of what is now Ukraine.

Frank draws several lessons from the rise and fall of the Galician oil industry, most notably that "for the Galician oil industry, it was too much autonomy, not too little, that proved catastrophic" (p. 255). As she points out, the unpredictability of oil production makes cartelization and/or government regulation crucial to sustained success in the industry. But on the whole, Frank's historical sensibilities make her a splitter, not a lumpner. To get the

full measure of the Galician oil industry, she suggests, historians have to “disaggregate” rather than generalize (p. 253). By this she means they should make the effort to understand intertwined local, national, imperial and global influences in a given region’s social, economic and political development. Frank does this admirably in *Oil Empire*, which is a model of engaging, complex and relevant regional history.

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